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NSC BRIEFING

3 February 1954

YUGOSLAVIA'S FOREIGN RELATIONS

I. Current position.

- A. Middle road policy pursued.
- B. Tito recognizes importance ~~of~~ continued ties with West.

II. Relations with bloc.

- A. USSR unwilling create acceptable conditions for return to bloc.
- B. Bloc attempting ~~to~~ exploit Yugoslav internal weaknesses.
- C. Relations, however, being "normalized."
- D. Yugoslavia has obtained greater freedom of maneuver.
  - 1. Partial normalization economic relations likely.

III. Relations with West.

- A. Continued alignment with West.
  - 1. Balkan Pact planning progressing.
  - 2. Emotional tensions over Trieste easing.
  - 3. Yugoslavs at London Conference will maintain firm position on Trieste.
  - 4. Yugoslav surrender Italian cities in Zone B probably dependent

Italian concessions Zone A.

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IV. Domestic developments.

A. Djilas affair.

1. May presage return more orthodox line.
2. Created confusion in party, but likely to strengthen it.

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